



Opportunity to Purchase

2022 Legislative Session Kick-Off

MARCH 2, 2022
4:30 P.M. TO 5:30 P.M.

Welcome and introductions

► Welcome

- **Trevor Nelson**, President, All Parks Alliance for Change
- **Natividad Seefeld**, President, Park Plaza Cooperative, and
Vice President, All Parks Alliance for Change

► Introductions (post in the chat)

- Your name
- Your park or organization
- City

► Questions? Please share them in the chat!

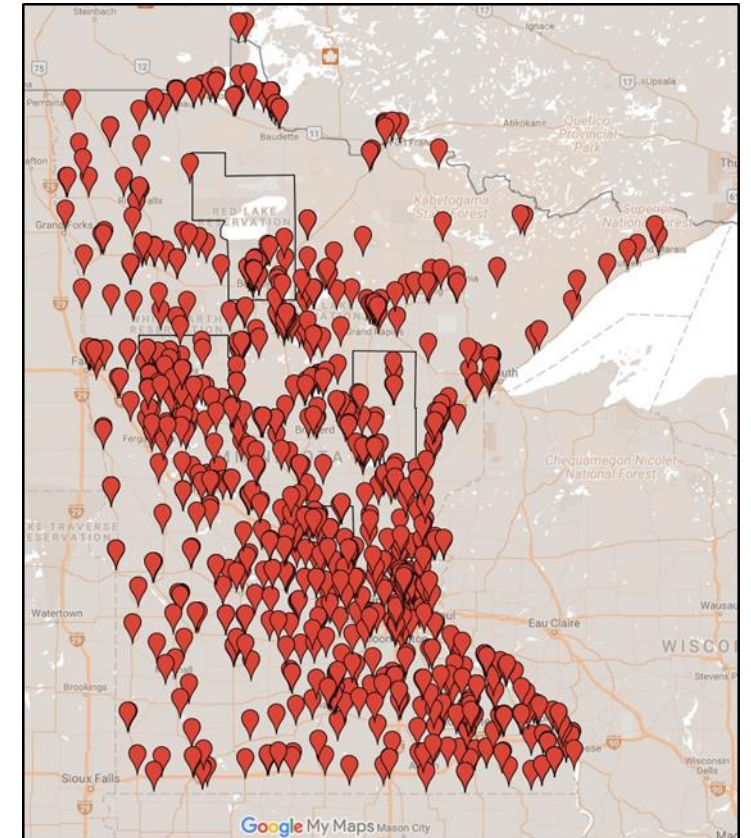


Overview of the Agenda

1. Welcome
2. Problems facing park residents
3. How resident ownership solves these problems
4. The “Opportunity to Purchase” (OTP) bill
5. Support for OTP
6. Action needed
7. Questions & answers

Benefits of Manufactured Housing

- ▶ **Manufactured housing is the leading source of naturally occurring affordable housing** – over 180,000 people live in nearly 50,000 manufactured homes in more than 900 parks.
- ▶ **Manufactured homes provide affordable access to home ownership** – \$74,200 for a new manufactured home vs. \$296,400 for a new single-family home.
- ▶ **Manufactured home parks provide affordable rents** – average statewide lot rents of \$417 vs. an average of \$894 for a 2-bedroom apartment.

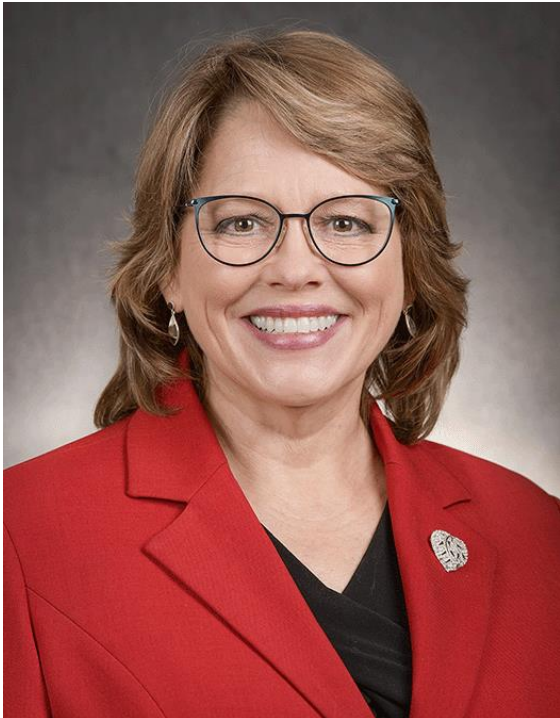


“Opportunity to Purchase” Bill

(House File 112 / Senate 1282)

- The “Opportunity to Purchase” bill gives resident homeowners an opportunity to buy the land beneath their homes when their communities are for sale in order to preserve their home and keep them affordable.
- It requires park owners to provide residents with 60-days’ advance notice of any intended sale, and consider any reasonable offer that has the support of a majority of resident households.

Representative Connie Bernardy



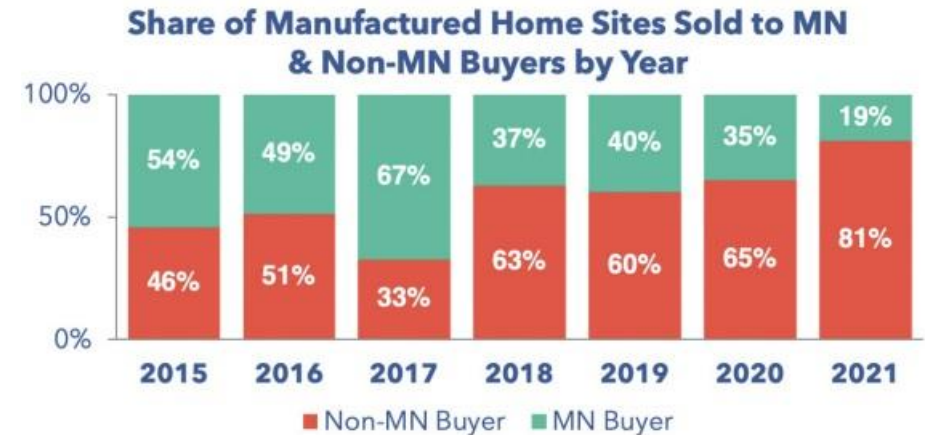
Minnesota House of Representatives
Chair, Higher Education Finance and Policy

Problems Facing Resident Homeowners

- ▶ **Lack of Security** – Residents own their homes, but only rent the land.
- ▶ **Lack of Control** – Residents face a number of risks:
 - No attention to serious health and safety problems
 - Unfair or inconsistently applied park rules
 - Significant and unsustainable rent increases
 - Park closure resulting, in most cases, in the loss of residents' homes

Increasing Out-of-State Ownership

- ▶ 50 Largest National Chains (Largest Chain: Sun Communities)
 - 2015 – 521,836 home lots (Sun Communities: 71,129)
 - 2018 – 693,447 home lots (Sun Communities: 83,294) – 33% increase
- ▶ Out-of-State Sales in Minnesota
 - Close to one-third of home lots changed ownership in the last 7 years
 - More than half of the sales were to out-of-state buyers
 - In 2020, 65% of sales were to out-of-state buyers
 - This grew to 81% in 2021.
- ▶ Impacts:
 - **Higher Rents** – Parks owned by national chains have the 10 highest rents in the Twin Cities metro area.
 - **More Conflict** – No national chains are based in Minnesota and the operators appear either honestly or willfully ignorant of state law.



Data from MNDOR eCRV transactions, MN Dept of Health & delegated agencies.

VIDEO – “A Decent Home”



(<https://www.adecenthomefilm.com>)

Resident Ownership Solves these Problems



Minnesota Resident-Owned Communities:

- Bennett Park Cooperative (Moorhead)
- Five Lakes Cooperative (Fairmont)
- Hillcrest Community Cooperative (Clark Grove)
- Madelia Mobile Village (Madelia)
- Park Plaza Cooperative (Fridley)
- Stonegate Cooperative (Lindstrom)
- Sungold Heights (Worthington)
- Sunrise Villa Cooperative (Cannon Falls)
- Woodlawn Terrace (Richfield)
- Zumbro Ridge Estates (Rochester)

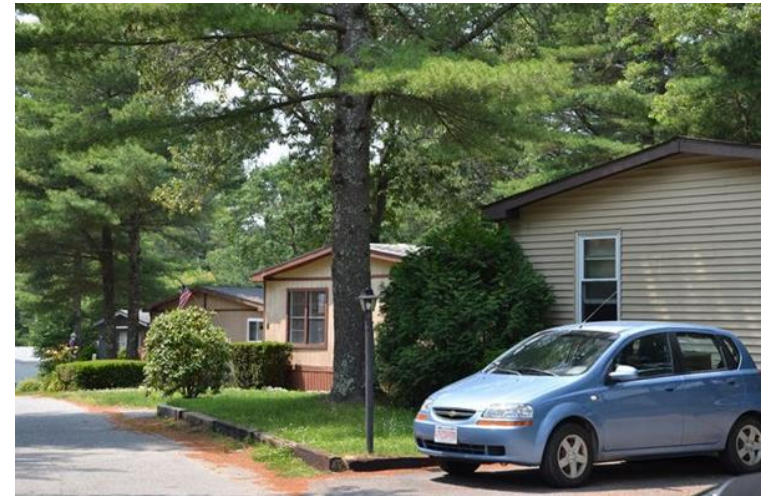
Benefits of Resident-Owned Communities

Commercially-Owned Communities:

- ▶ The park owner controls the lot rent, the park rules, and the condition of the community – including roads, water, sewer, and other infrastructure.
- ▶ If you don't like how the park is being run, often your only option is to move, which is often not possible due to the age or condition of your home, the lack of available lots, or the cost of moving.

Resident-Owned Communities:

- ▶ Homeowners form a non-profit called a cooperative. Each household is a member. Members own their homes individually and own and manage the community collectively.
- ▶ Members elect a board of directors, which appoints committees to carry out various tasks and manage the day-to-day operations. If you don't like how the park is being run, you can get elected to the board and push for change.



Benefits of Resident-Owned Communities

(part 2)

► **What are the advantages?**

- Maintain the roads, utilities, and other systems that serve your home.
- Keep your lot rent stable.
- Screen potential neighbors when they want to move in.
- Operate your neighborhood as a manufactured home community and not sell or redevelop the land.

VIDEO – “Park Plaza Co-Op”

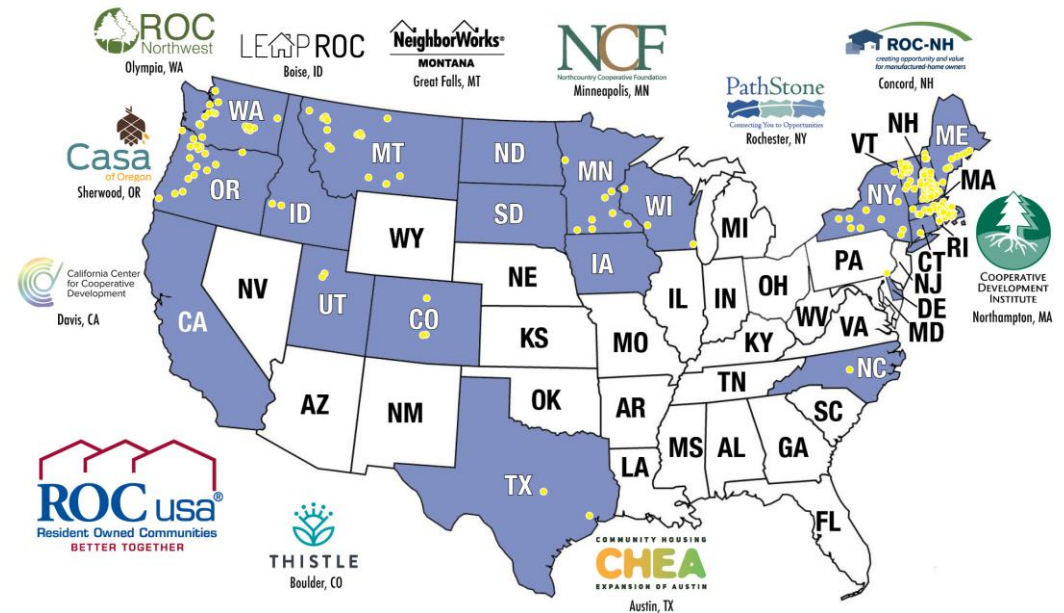
Park Plaza Co-Op: One community's answer to affordable housing



(<https://www.youtube.com/watch?v=vOhEhdLbqYc&t=3s>)

Resident Ownership is Spreading

- ▶ Over 1,000 of the 55,000 parks in the country are owned by residents through cooperatives, land trusts, or nonprofits.
- ▶ In some states, residents own more than 20% of all parks, including New Hampshire, Massachusetts and Rhode Island.
- ▶ These states give residents advance notice of all park sales and require sellers to consider in good faith any reasonable offer put forward by residents.



“Opportunity to Purchase” Bill

(House File 112 / Senate 1282)

► **Current Law**

- There is currently a notice requirement that isn't working because it is only triggered if a sale is listed with a real estate broker or through public advertising, which rarely happens
- There is a resident “right of first refusal” that gives residents a right to buy their park, but only when a park is being sold for redevelopment.

► **Proposed Changes**

- Require park owners to provide residents with 60-days advance notice of any intended sale.
- Consider any reasonable offer that has the support of a majority of resident households.
- Negotiate with the residents in good faith.
- Park owners are not required to accept the residents' offer.
- If the residents' offer is rejected, park owner must provide written notice within 5 days.

Support for OTP

► Legislators:

- **Bill Authors:** Rep. Connie Bernardy (D-New Brighton), Sen. Karin Housley (R-Stillwater)
- **Bill Co-Sponsors:** 9 other legislators from around the state, including Burnsville, Golden Valley, Princeton, Richfield, Roseville, and Rochester.
- **MN House of Representatives:** The bill passed through the House committees in 2021.

► Endorsements:

- **Homes for All** (endorsed by 270+ organizations statewide)
- **Minnesota Housing Partnership**
- **Metropolitan Interfaith Coalition for Affordable Housing**
- **Housing Justice Center**
- **Pueblos de Lucha y Esperanza**

Senator Karin Housley



Minnesota Senate

Chair, Aging and Long-Term Care Policy
Vice Chair, Jobs & Economic Growth Finance and Policy



We need your help!

Call to Action!

► Ask for a Minnesota Senate hearing:

- **Contact:** Senator Rich Draheim, Chair, Housing Finance and Policy Committee
- **E-Mail:** sen.rich.draheim@senate.mn
- **Phone:** 651-296-5558

► Ask your Senator to support OTP:

- **Your Legislator:** <https://www.gis.lcc.mn.gov/iMaps/districts/>
- **General Contact:** (651) 296-8338



Senator Rich Draheim

Share Your Support!

► **Sample Message to Senators:**

- I live in the [name] manufactured home park in the city of [name].
- I own my home but not the land underneath it. I have no control over the rent, the rules, repairs and maintenance, or if the park will stay open.
- State laws says I'm supposed to be notified when my park is being sold, so the residents can put in an offer, but the law has a major loophole. Residents only get notice if the park owner is using a real estate agent or running public ads.
- Please support Senate File 1282, the "Opportunity to Purchase" bill. It guarantees we will receive 60-days notice and a chance to put in an offer to buy our parks.

Share Your Support!

► **Sample Message to Our Authors:**

- I live in the [name] manufactured home park in the city of [name].
- I own my home but not the land underneath it. I have no control over the rent, the rules, repairs and maintenance, or if the park will stay open. I worry about either being price out of my home or losing it to a park closure.
- Thank you for introducing Senate File 1282, the “Opportunity to Purchase” bill. It will give us a chance to buy our park and protect our homes, families, and communities.

Open Discussion

- ▶ **Your Thoughts**
- ▶ **Questions & Answers**

Stay Involved

Get more information and sign up for updates at:

www.mn4otp.org